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FOREIGN AND SECURITY AFFAIRS

1) Suprapartisan lawmakers plan international Afghanistan peace-building conference in Tokyo in November

ASAHI (Page 1) (Full)  
August 22, 2009

A Japanese suprapartisan parliamentary group will hold an international conference on peacemaking in Afghanistan in Tokyo in late November. Japan plans to demonstrate its eagerness to promote diplomatic efforts to build peace in Afghanistan and continue assistance for that nation. At the conference, participants will discuss solutions to complicated problems involving religion and terrorism in light of the current stalemate in the fight against terrorism in Afghanistan to which the U.S. has dispatched military troops to combat ongoing terrorism by Islamic extremists.

The conference will be jointly sponsored by the Japan committees of the Parliamentarians for Global Action (PGA) and the World Conference of Religions for Peace (WCRP). The sponsors expect to bring together representatives from the Afghan government; the United Nations; Pakistan, whose border is a breeding ground for

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armed insurgents; Saudi Arabia, which has acted as mediator in civil wars; religious leaders from various countries; and others.

Former Finnish President Martti Ahtisaari, who won the Nobel Peace Prize for 2008 for working to end conflicts in troubled spots around the world, is likely to chair the conference. The sponsors are bearing in mind the possibility of conducting a dialogue with moderate Taliban elements in an effort to bring about peace in Afghanistan. They expect Ahtisaari, who took the initiative in the comprehensive peace process involving all parties concerned in 2005 in the Aceh dispute in Indonesia, to demonstrate his skills.

The list of names on the PGA Japan Committee before the dissolution of the House of Representatives included (then) Lower House speaker Yohei Kono, a former foreign minister of the Liberal Democratic Party, Democratic Party of Japan (DPJ) President Yukio Hatoyama, and others. The DPJ has been looking into pursuing active diplomacy toward peace for Afghanistan to replace the ongoing Maritime Self-Defense Force's refueling operation in the Indian Ocean. DPJ lawmakers have been deeply involved in preparations for the planned conference. In the event that a DPJ government is inaugurated, the conference will be strongly linked to its diplomatic policy.

2) Government to set up 100 billion yen infrastructure fund for Asia

YOMIURI (Page 1) (Abridged slightly)  
August 24, 2009

The Economy, Trade, and Industry Ministry has decided to set up a government-led fund that will be invested in improvement of infrastructure, such as railways, power, and water-supply facilities, in other Asian countries.

Since the financial crisis and the global recession last fall, the flow of investment funds to many Asian countries has declined. The purpose of the Japan-led infrastructure fund is to provide funds to countries that lack capital and the necessary support to maintain steady economic growth. The fund also will encourage Japanese economies to make efforts to tap the growth of other Asian countries, now that the domestic market in Japan has started to plateau due to the increasingly aging population and a fall in the number of children born.

In addition to cash from domestic pension funds, life insurance companies, other institutional investors, and government-affiliated financial institutions, the ministry is considering bringing in foreign funds, such as oil money from the Middle East, for the infrastructure fund.

The ministry plans to launch the infrastructure fund in fiscal 2010 with more than 100 billion yen, and to then expand it. The ministry is planning to set up an expert study group for the project in September that will be tasked with promoting the fund's realization.

Until now, Japan has mainly used public funds, such as official development assistance, to support social overhead capital investment in emerging and developing countries. As such, one notable difference in the proposed infrastructure fund is that it also makes use of funds from the private sector.

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Possible destinations of the infrastructure funds the ministry has in its mind includes social overhead capital investments in Hanoi, Jakarta, and the regions that stretch from Chennai to Bangalore, two midsize cities in southern India.

If the infrastructure fund is realized, Japan will expect certain benefits to flow from its investments, such as improved opportunities for Japanese firms to regarding receiving orders tied to infrastructure-linked businesses or easier access for Japanese manufacturers and retailer chains to expand into those countries' markets.

3) Government to inject ODA funds in less profitable works in infrastructure projects in developing countries

NIKKEI (Page 1) (Excerpts)  
August 23, 2009

The government has decided to introduce a new scheme to assist infrastructure construction in developing countries in cooperation with the private-sector capital by using its official development assistance (ODA) funds. The government plans to inject yen loans in less profitable works while having private companies invest in more profitable parts in a large-scale project. The aim is to reduce private firms' financial burden in pursuing more effective assistance. By reducing risks in projects, the government will back up private firms' advancement overseas.

After studying risk-management methods, the government will introduce the new scheme within this fiscal year. The Foreign Ministry has taken the view that the nation's basic principles on aid will not change regardless of the outcome of the Aug. 30 House of Representatives election.

The "viability gap funding" scheme - to classify a project and cover less profitable parts with public funds - is expected to make the project more profitable as a whole.

In an infrastructure project for physical distribution, for instance, yen loans are used for low-margin areas, such as expropriation of land and land readjustment, while private capital would be invested in high-margin areas, such as road construction.

4) Government eyes review of aid to Northern Territories to shift weight from provision of goods to human-resource training

NIKKEI (Page 2) (Full)  
August 23, 2009

The government is eyeing a review of its assistance program for the four Northern Territories starting next fiscal year. The Russian government notified Japan early this month of its decision to no longer receive pharmaceuticals and other goods from Japan. Following this, the government has decided to suspend the provision of goods, which suggests emergency aid, starting next fiscal year and instead offer more assistance in soft areas such as human-resource training.

Based on the view that some residents on the islands are still seeking aid from Japan, the government intends not to reduce the scope of the aid program.

The Japanese government's assistance program is composed of three projects: (1) provision of goods; (2) human-resource development,

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such as nurses; and (3) acceptance of patients from the islands. The Russian government unilaterally notified the Japanese Embassy in Moscow early this month that it will no longer receive goods.

The government has set aside about 15 million yen for the provision of goods, but this amount will be allocated to measures to foster human resources in the next fiscal year. It intends to keep the current annual budget amounting to approximately 50 million yen unchanged.

5) Norway, Netherlands to participate in Asia anti-piracy pact

TOKYO SHIMBUN (Top play) (Slightly abridged)  
Evening, August 22, 2009

Norway, a Scandinavian country, will likely become a member of the Regional Cooperation Agreement on Combating Piracy and Armed Robbery in Asia (ReCAAP) initiated by Japan for joint anti-piracy operations by Asian countries. Norway will be the first member state from outside Asia. The Netherlands is also considering joining the pact, which means the Japan-led framework that has been effective against piracy in Asia will expand even to Europe.

ReCAAP was proposed by then Prime Minister Junichiro Koizumi in 2001 after a cargo ship with a Japanese captain on board was hijacked by pirates in the Strait of Malacca. The agreement took effect in 2006. Its members consist of Japan, the Southeast Asian countries, India, South Korea, China, and others. A center for sharing information on pirates was set up in Singapore in 2006, and 15 officials from six countries, including officials from Japan's Ministry of Foreign Affairs (MOFA) and Japan Coast Guard, are stationed there. This center sends out information on piracy to the member states, which cooperate on arresting pirates, seizing their ships, and rescuing the victims.

Indonesia and Malaysia, which were unsuccessful in their bids to host the center, are not yet members, but they cooperate at the working level by providing information and pursuing pirates.

According to MOFA, Norway conveyed its interest in becoming a member to Singapore, which serves as the secretariat, last March. The group's rules say that membership will be rejected if there is opposition from existing members, but so far, there has been none. Therefore, Norway is likely to be accepted as a member before the end of 2009, at the earliest. The Netherlands has also indicated its desire to become a member in May 2008 and is currently in the process of building a domestic consensus. If Norway and the Netherlands become members, their ships navigating in the Strait of Malacca and other Asian waters will be able to obtain information on piracy. If these ships are attacked, coast guards and maritime police of the member states will cooperate in rescuing the ships, pursuing the pirates, and arresting them through a request from the ReCAAP center.

6) Protest rally against port call by Nimitz

ASAHI Kanagawa Edition (Page 37) (Full)  
August 23, 2009

Two hundred people gathered in Verny Park in Yokosuka, Kanagawa Prefecture, to protest a call by the nuclear-powered aircraft carrier USS Nimitz. They were members of peace groups and labor

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unions in and outside of the prefecture. After the rally they marched near the U.S. Navy Base in Yokosuka.

The Nimitz is scheduled to call at Yokosuka Aug. 24-28 to give its crew rest. "The nuclear-powered aircraft carrier George Washington is not enough for the war in Afghanistan," commented Mineyuki Uno, chairman of the Center for the Kanagawa Peace Front. "Yokosuka may become the home port of two nuclear-powered aircraft carriers."

7) DPJ's Hatoyama will seek to persuade President Obama on issue of not bringing nuclear arms into Japan

SANKEI (Page 5) (Abridged)  
August 24, 2009

Democratic Party of Japan (DPJ) President Yukio Hatoyama appeared on Fuji TV's "New Hodo 2001" and TV programs on TV Asahi and NHK on August 23. Discussing the three non-nuclear principles, he said that after taking over the administration, he will meet with U.S. President Barack Obama and seek to persuade him not have nuclear weapons brought into Japan.

Regarding an alleged secret agreement on U.S. military vessels carrying nuclear arms passing through Japan or calling on its ports, Hatoyama said that he will disclose the facts to the people after conducting an investigation in the U.S. On the issue of the U.S. forces' Futenma Air Station, he said, "Basically, this base should be relocated outside Okinawa, and if possible, outside Japan." He indicated that he would like to resolve this issue through a meeting with the U.S. President.

8) DPJ's Hatoyama says SOFA revision necessary at debate of six party leaders on foreign and security policy

NIKKEI (Page 2) (Full)  
August 22, 2009

The leaders of six ruling and opposition parties discussed foreign and security policy during the recording for a TV Tokyo program on August 21. Discussing Japan-U.S. relations, Democratic Party of Japan (DPJ) President Yukio Hatoyama stressed that: "President Obama has shifted to a policy of dialogue. This is a good time to build an equal Japan-U.S. relationship." He also said that "basically," the Japan-U.S. Status of Forces Agreement (SOFA) "needs to be revised." He indicated that if the DPJ takes over the reins of government, SOFA will be examined within a comprehensive review of the Japan-U.S. alliance.

Commenting on the fact that Japan is protected by the U.S. nuclear umbrella, Hatoyama said: "Considering the situation in North Korea, this is inevitable. We are not advocating that Japan should leave the umbrella right away."

Prime Minister Taro Aso (Liberal Democratic Party president) noted that the DPJ has indicated that it will ask the U.S. not to use nuclear arms for a preemptive strike and said: "It is not realistic to ask Japan's ally, the U.S. not to use nuclear weapons first in consideration of Japan's security." He cited North Korea's nuclear tests and other activities and indicated his opposition to the DPJ's proposition.

#### ELECTION SURVEYS

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9) Poll: DPJ likely to garner more than 320 seats, LDP may fall below 100

MAINICHI (Top play) (Abridged)  
August 22, 2009

Ahead of the upcoming 45th general election to be held Aug. 30 for the House of Representatives, the Mainichi Shimbun conducted an ad hoc nationwide public opinion survey from Aug. 19, the day after the election was announced, through Aug. 21, in order to look into the situation in campaign battles (for 480 seats, broken down into 300 seats in single-seat electoral districts and 180 seats in proportional representation blocs). According to findings from the

survey, the Democratic Party of Japan is leading the race in most of the nation's 300 single-seat constituencies, where the DPJ has fielded 271 candidates. The DPJ is likely to garner a total of more than 320 seats, including those for proportional representation. Depending on the number of candidates elected in single-seat constituencies, all DPJ candidates may be elected, including those who are defeated in single-seat constituencies but elected in proportional representation blocs. The Liberal Democratic Party, which won a landslide victory in the 2005 general election for the House of Representatives, is doing poorly both in single-seat constituencies and in proportional representation blocs. The LDP is even likely to fall below 100 seats.

In the survey this time, about 40% of respondents in the nation's single-seat constituencies and about 20% of them in its proportional representation blocs did not clarify their voting behavior. Given this, the situation could become fluid.

The DPJ is gaining momentum to sweep all single-seat constituencies of Hokkaido, Iwate, Niigata, Fukui, Yamanashi, Nagano, Aichi, Shiga, Nara, Wakayama, and Nagasaki, looking for a chance to garner 230 seats or more. The DPJ is leading all other political parties in all 11 proportional representation blocs and is likely to secure over 90 seats.

The DPJ has indicated that it would form a coalition government with the Social Democratic Party and the People's New Party. However, if the DPJ wins a landslide victory with two thirds (320 seats) or more of the seats in the Diet's lower chamber, the DPJ can take a single-party vote second time on its bills even though they are voted down in the House of Councillors.

#### 10) Poll: LDP support base unraveling

NIKKEI (Page 2) (Abridged)  
August 22, 2009

With the election for the House of Representatives just around the corner, the Liberal Democratic Party's support base is becoming shaky. Among LDP supporters, those who answered in a Nikkei poll taken Aug. 18-20 that they would vote for the LDP accounted for no more than 75%, with 10% saying they would vote for the Democratic Party of Japan. Among DPJ supporters, 89% said they would vote for the DPJ.

In the poll, the public approval rating for the Aso cabinet was 20%, the same as in a previous spot survey taken in late July. The disapproval rating was 62%, down 9 points. In the breakdown of

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public support for political parties, the DPJ stood at 38%, down 2 points. The LDP also dropped 1 point to 29%. Recent polls show a similar trend of public support for the DPJ and the LDP. In the public preference of political parties, however, the gap between the two parties is larger than that between their support rates.

What can be seen in particular from the poll is that a certain proportion of LDP supporters tends to vote for the DPJ. In all of the nation's 11 proportional representation blocs, 9-11% of LDP supporters said they would vote for the DPJ.

Meanwhile, floating voters with no particular party affiliation are expected to have a great impact on the election's outcome. Among them, 12% chose the LDP for proportional representation, with 25% opting for the DPJ. The DPJ is overwhelming the LDP in the general election more than the gap between the two parties' support ratings shows.

#### 11) Poll: "DPJ-led coalition" takes top position for 1st time

YOMIURI (Page 1) (Abridged)  
August 22, 2009

Ahead of the upcoming general election for the House of Representatives, the Yomiuri Shimbun conducted a telephone-based nationwide public opinion survey on Aug. 18-20. In the survey,

respondents were asked which political party they would vote for in their proportional representation blocs. In response to this question, 40% answered that they would vote for the Democratic Party of Japan, with 24% saying they would vote for the Liberal Democratic Party. There was no marked change from the last survey taken Aug. 4-6. In the last survey, the DPJ was at 41% and the LDP at 24%. Respondents were also asked which political party's candidate they would vote for in their single-seat constituencies. To this question, 38% chose the DPJ (39% in the last survey), with 25% picking the LDP (24% in the last survey). The survey this time also showed a similar trend.

The DPJ has been leading all other political parties in campaigning for the general election announced Aug. 18. In the public preference for a desirable government, "DPJ-led coalition government" accounted for 27% (24% in the last survey), topping all other choices for the first time. "New framework through political realignment," which topped all other choices in the three previous surveys, was at 25% (30% in the last survey), followed by "LDP-DPJ grand coalition" at 24% (27% in the last survey) and "LDP-led coalition" at 16% (11% in the last survey).

The Aso cabinet's support rate was 24.7% (21.6% in the last survey), and its nonsupport rate was 64.3% (69.0% in the last survey). In the breakdown of public support for political parties, the DPJ stood at 33.2% (31.6% in the last survey), with the LDP at 26.9% (24.2% in the last survey).

12) DPJ's analysis of general election: Election will be close race in 100 single-seat districts

NIKKEI (Page 2) (Full)  
August 24, 2009

Democratic Party of Japan (DPJ) President Yukio Hatoyama, Secretary General Katsuya Okada, Deputy President Ichiro Ozawa and other party

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leaders discussed the party's election strategy for the final stage of ongoing campaigning at party headquarters yesterday evening. They analyzed the outcomes of opinion polls conducted by media companies, and confirmed their policy to do everything in their power to win the race, predicting that there are about 100 single-seat constituencies in which its candidates and candidates on the Liberal Democratic Party's ticket will engage in close battles.

The meeting was also attended by Deputy President Naoto Kan and Azuma Koshiishi, chairman of the party's caucus in the House of Councillors. After the session, Hatoyama sent emails to all DPJ candidates titled: "Don't let yourself be deluded. Let's claim a real victory!" In the emails, he said: "Although media polls show that we will win 300 seats, are you confident that you will win? Be aware of reality."

13) LDP steps up criticism against LDP to get back in the game in general election, DPJ guards against letting advantage slip

MAINICHI (Top play) (Excerpts)  
August 24, 2009

On Aug. 23, with one week left until the 45th House of Representatives election, political parties took to the streets to campaign for support and leading politicians appeared on TV talk shows. According to a Mainichi Shimbun poll on the predicted outcome of the upcoming general election, the Democratic Party of Japan (DPJ) will likely win 320 seats. Prime Minister Taro Aso (president of the Liberal Democratic Party (LDP)) stepped up criticism of the DPJ to overcome its inferior position in the campaign, while DPJ President Yukio Hatoyama stressed that his party will implement its campaign pledges (manifesto). The 40-day election campaign period -- which actually kicked off on July 21 when the Lower House was dissolved -- has now entered its final stage.

Aso yesterday delivered speeches at four locations in Chiba Prefecture and attended a meeting hosted by students in Tokyo. He played up the achievements of economic stimulus by the LDP-New

Komeito coalition administration in his stumpng speeches. He criticized the DPJ's pledge to create a child-allowance system and to make all highway tolls free. He said: "It is unacceptable to pledge something that will bring about a pork-barrel society." He then pointed out the inconsistency of the DPJ's foreign and security policies, saying: "Deliberations on in the House of Councillors on (bill on cargo inspections against North Korean ships) were dragged out and the bill was scrapped. I think North Korea was pleased."

Hatoyama gave his speeches in five locations in Tokyo. Criticizing the LDP-New Komeito government for its politics relying on bureaucrats created pension and medical problems, he emphasized: "In an attempt to lead politics to the right direction, the DPJ will have to take over the reins of government at any cost." With media reports that the DPJ could win by a landslide, he said: "We should be on guard to the last," repeatedly making such remarks.

14) Hatoyama: No increase in issuance of government bonds for fiscal 2010

NIKKEI (Page 2) (Excerpts)  
August 24, 2009

Democratic Party of Japan (DPJ) President Yukio Hatoyama said on a  
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TV Asahi program: "We won't increase (the issuance of government bonds). If we did, the country would fall apart," when asked whether the issuance of government bonds in the budget for fiscal 2010 would be increased (should his party assume the political helm). His remarks were taken as a promise to curtail issuances of government bonds in the budget for fiscal 2010, as well as the extra budget, to a level less than the amount issued in fiscal 2009. The government has already issued bonds totaling 44 trillion yen.

Asked about a resolution of the loss of millions of pension records, Hatoyama said: "We won't be able to resolve it 100 percent." He continued: "If receipts and evidence are required, the problem will not be resolved. We will have to put an end to the issue by setting certain conditions."

The DPJ includes in its manifesto a pledge to concentrate on resolving the pension record issue for two years. He said: "We will immediately start" checking the pension records on computer and books. He also said: "We won't be able to take too much time for it," stressing the need for lump-sum compensations.

ROOS